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Chairman: Mr. Chowdhury ..... (Bangladesh)
later: Ms. Daes (Vice-Chairman) ..... (Greece)
later: Mr. Chowdhury (Chairman) ..... (Bangladesh)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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Section 27G. Administration, Vienna (*continued*)

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The meeting was called to order at 3.10 p.m.

Agenda item 115: Programme budget for the biennium 1996-1997 (*continued*)

Agenda item 116: Proposed programme budget for the biennium 1998-1999 (*continued*)

Administrative expenses of the United Nations Joint Staff Pension Fund (*continued*) (A/52/278 and A/52/519)

1. **Mr. Riva** (Argentina), speaking on behalf of the Rio Group, said that the United Nations should continue to meet most of the internal audit costs incurred by the United Nations Joint Staff Pension Fund. The auditors should continue to assist in the development of more effective control procedures, although he pointed out that the number of irregularities detected was insignificant.

2. It was reasonable for the Pension Fund to defray the full increase in external audit costs, so that 60 per cent of the costs would be met by the United Nations and 40 per cent by the Pension Fund, pending the concept paper on administrative arrangements between the Fund and the Organization.

3. The United Nations should continue to provide the existing office space or any additional office space to the Fund without charge, until the concept paper was considered in 1998. With regard to the proposal by the Fund for a 50/50 sharing of the costs of mainframe computer services, he agreed with the Advisory Committee on Administrative and Budgetary Questions (ACABQ) that any change in the current cost-sharing arrangements should await the concept paper (A/52/519, para. 14). In connection with the non-inclusion by the Secretariat of any appropriation in the proposed programme budget to cover part of the costs of computer services, he noted that, at the end of 1996, 64.6 per cent of the Fund's active participants were staff members of the United Nations and its programmes. Such a decision might, in some circumstances, result in an increase in the contributions of participants, participating organizations and Member States. The possibility that other participating organizations might seek to charge the Pension Fund for services and office space was also cause for concern, since any such development could only lead to a significant increase in the Fund's administrative costs and oblige it to assess the viability of attaining greater or complete self-sufficiency.

4. Taking into account the fact that pensions were an important component of the conditions of service and human resources management in every organization, the Rio Group believed that it was a shared obligation to cooperate constructively with the Fund's secretariat in order to avoid the possibility that participating organizations might achieve savings at the Fund's expense.

5. **Mr. Gieri** (Secretary of the United Nations Joint Staff Pension Board), responding to comments made by the representative of the United States of America, at a previous meeting, said that the request for additional resources of $395,000 for the biennium 1996-1997 under office furniture and fixtures related to the reconstruction of offices/workstations in the Fund's office space. Since it now appeared that the United Nations could not provide additional space, additional offices/workstations would be constructed within the current space: thus the resources requested would not improve the office environment but, rather, create a more congested one. The additional workstations/offices were needed to accommodate staff against established posts whose recruitment had been delayed, as well as consultants, temporary staff and auditors.

6. Expenditures in previous bienniums under the item had also related to making denser use of the office space provided to the Fund. Prior to the biennium 1990-1991, no resources of the Fund had ever been used for office construction, furniture and fixtures, all such costs having been borne by the United Nations as the host organization.

7. A 1989 study by outside consultants had found that the space allocated to the Fund was seriously inadequate, and hindered the work flow. Additional resources had been requested at that time, at a charge to the Pension Fund, for modular workstations in respect of administrative operations, and the General Assembly had approved some $1.1 million. The initial cost of modular workstations for the Investment Management Service had been met by the United Nations, and the General Assembly had subsequently approved additional resources of $259,000, although the actual costs had ultimately been $100,000 less.

8. With regard to the observation that the Fund should undergo a review and reform of its operations, he said that since 1989 the Fund had been engaged in the systematic review and reform of its operations, and had made great progress. For example, new, integrated computer systems had been introduced, with the use of optical imaging and disk storage media. That had enabled the Fund to make its operations more efficient with relatively small increases in staff, despite a rapid increase in its workload: over the past five years the number of beneficiaries had increased by more than 50 per cent. Notwithstanding the growth in the Fund's assets and a complex investment environment, there had

been significant improvements in the efficiency and cost-effectiveness of investment management.

9. **Mr. Wharton** (United States of America) asked for the statement by the Secretary of the United Nations Joint Staff Pension Board to be made available in writing.

Agenda item 143: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (*continued*) (A/51/432, A/51/530 and Corr.1 and A/51/801; A/52/426 and A/52/464; A/C.5/52/12)

Agenda item 114: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*) (A/51/933; A/52/339)

10. **Mr. Rawat** (India) said that, since the establishment of the Office of Internal Oversight Services (OIOS), the Secretary-General and the Under-Secretary-General for Internal Oversight Services had made a credible effort to establish an effective internal oversight mechanism. The overall scarcity of resources, compounded by the financial crisis, had lent great significance to the recommendations of the Office, which should lead to better management, more accountability and increased transparency. His delegation supported the efforts to increase fiscal awareness among the staff, streamline procedures, follow rules and regulations, promote economical solutions and put an end to irregularities.

11. The serious breaches of the Financial Regulations and Rules and the irregularities in procurement in connection with peacekeeping operations had resulted in considerable losses. Pending procurement reform and review of the reimbursement methodology for contingent-owned equipment, measures must be taken to avoid losses resulting from non-compliance with existing rules.

12. The report on the activities of OIOS (A/52/426) identified waste as a result of inadequate control of assets, ad hoc measures in the administration of field operations, and poor staffing in important sub-units. He wondered how such situations could persist; the performance of OIOS would be judged on the actual reform it could bring about.

13. The Office's comments on international contractual personnel revealed a serious lack of management control: established procedures for inviting tenders had been ignored, financial checks on contractors were inadequate and in some cases excessive amounts had been paid.

14. He noted with concern the persistence of deficiencies previously identified by the Board of Auditors in 1994 relating to the recruitment of experts and consultants. There was an urgent need for structural adjustment, the streamlining of activities and greater accountability. The key recommendations made by OIOS must be fully and urgently implemented.

15. It was his delegation's understanding that the report on the International Trade Centre UNCTAD/WTO (ITC) (A/51/933) had not been discussed in the Joint UNCTAD/WTO Advisory Group on the International Trade Centre, or in the United Nations Conference on Trade and Development (UNCTAD) or the World Trade Organization (WTO). He wondered whether it was appropriate for the General Assembly to deal with the matter without obtaining the views of ITC, UNCTAD and WTO, since ITC was a joint subsidiary organ of WTO and the United Nations, the latter acting through UNCTAD.

16. **Mr. Shin** (Republic of Korea) said that OIOS had become an important component of the management culture. It had made an enormous contribution to the creation of a sound working environment, and its reports had been extremely valuable in developing the reform measures. Cooperation with external oversight bodies would contribute further to the important work of OIOS.

17. Significant savings had been achieved through the activities of OIOS and implementation rates for audit recommendations were high, although full implementation was required. The Office should further develop its computerized monitoring system to track recommendations. In that regard, he was concerned about reservations on the part of programme managers and supported the introduction of peer review within OIOS, since the implementation of recommendations would be easier if they reflected the views of programme managers.

18. It was gratifying that OIOS had become a partner for many separately administered funds and programmes. Internal oversight in funds and programmes had been enhanced as a result. In that connection, the report on enhancing the internal oversight mechanism in operational funds and programmes (A/51/801) merited serious consideration and he agreed with the views expressed by the Legal Counsel in document A/C.5/52/12. He trusted that the draft guidelines on programme monitoring and evaluation would soon be finalized; they would provide important assistance to department heads.

19. High-risk and cost-significant areas, such as peacekeeping, humanitarian activities, procurement and the newly established bodies, should be given priority by OIOS. It was disappointing that internal controls did not function satisfactorily in many peacekeeping operations, and the Office should continue to address weaknesses in that area. The deficiencies in procurement were also disquieting, and

required further monitoring. The OIOS recommendations in respect of the serious operational deficiencies and mismanagement found in virtually all areas of the International Tribunals should be implemented in a timely fashion.

20. While addressing the ills of the Organization, OIOS should not overlook the importance of recognizing good performance by organizations and their staff, since that boosted morale and encouraged others. The Office should make recommendations in all areas — managerial, organizational and financial.

21. He welcomed the proactive role of OIOS in the reform effort. The Office had contributed to decentralization within the United Nations, had helped to streamline and strengthen rules and regulations, and had addressed the need to improve the quality of horizontal communications within the Secretariat, thus ensuring coordination and reducing overlap. He hoped that OIOS would extend the scope of its work on the issue of reform.

22. Lastly, since the media tended to focus only on the more controversial aspects of oversight work, which ultimately cast the Organization in an unfavourable light, OIOS should be careful to convey a more balanced picture of the United Nations.

23. **Mr. Namburete** (Mozambique) noted with concern that internal control weaknesses persisted in many areas. The creation of OIOS had provided the Organization with independent internal oversight, an element that had been lacking for decades, and he trusted that the Office's independent character would be maintained and developed.

24. The Office had helped to raise fiscal awareness, to streamline administrative activities, and to promote structural change, better management, more accountability and increased transparency. Its establishment had been an integral part of the reform process and it constituted a valuable tool. The ongoing efforts of the Office to cooperate with other oversight bodies would result in comprehensive oversight services.

25. The increase in the rate of implementation of OIOS recommendations was encouraging. There should be a more rational approach to the decentralization of functions and the delegation of authority from New York to Geneva, Vienna and Nairobi. The process must be accompanied by training and awareness-building, with the establishment of an effective monitoring mechanism to ensure that the authority delegated was correctly exercised. To that end, effective communication was essential.

26. The rules and regulations governing the Organization were in urgent need of simplification and streamlining. As they stood, they tended to work to the benefit of those responsible for mismanagement, irregularities and wrongdoing. It was thus not surprising that serious irregularities had occurred in many areas as a result of internal control weaknesses. The corrective measures under way must be further strengthened to the benefit of the Organization.

27. **Mr. Gjesdal** (Norway) said that the publishing of the report on the activities of OIOS (A/52/426) provided an occasion for media focus on improper activities; one major newspaper had recently proceeded from the assumption that corruption was endemic in the United Nations, depicting a world of petty criminality that anyone working at the United Nations found difficult to recognize. However, such a focus obviously meant that internal oversight in the United Nations was functioning adequately and had a constructive impact on the Organization.

28. His delegation welcomed the proposed increase in resources for OIOS for the biennium 1998-1999, as well as the ongoing efforts to coordinate with other oversight bodies so as to provide comprehensive oversight services. The Office's recommendations had contributed to positive changes in the management culture of the United Nations. Follow-up to oversight recommendations was a vital function that was often neglected, and should be given increased emphasis. He noted that a new computerized monitoring system now tracked the implementation of the recommendations of OIOS; he hoped that the system could be made available to the other major oversight bodies, whose recommendations had too often suffered from a lack of follow-up.

29. The programme monitoring and evaluation guidelines would soon be issued with a view to establishing departmental monitoring systems. Regrettably, that function had previously been undertaken on a very limited budget.

30. The comments of the Under-Secretary-General for Internal Oversight Services on decentralization and delegation of authority (A/52/426, preface) demonstrated the need for training and an effective monitoring mechanism. The efforts to streamline the accumulated mass of rules and regulations deserved full support, and the Under-Secretary-General's finding that horizontal communications within the Secretariat had significantly improved was welcome. On the other hand, the lingering problems of lack of communication between Headquarters and other duty stations and the geographic fragmentation of the United Nations were

matters for concern. That was one area which the reform process needed to address vigorously.

31. His delegation supported the continued priority given by the Office to the four main areas for oversight and agreed that it should continue to take both a deterrent and a proactive approach. It welcomed the emphasis on client consultation and a quality control system for oversight. The implementation of some types of recommendation might, of course, take time since due process had to be observed.

32. The Office of the United Nations High Commissioner for Refugees (UNHCR) was a generally well managed agency. Its Standing Committee discussed oversight matters regularly. Its mostly field-oriented operations posed a challenge to oversight since they implied dependence on non-governmental organizations (NGOs) as implementing partners. His delegation supported the use of implementing partners, including Norwegian NGOs, in field operations and the joint efforts to improve procedures related to transparency and auditing. The annual report on the activities of OIOS made it clear that such efforts must be strengthened. Against that background, the memorandum of understanding signed between the Office and UNHCR on the provision of internal audit services was welcome, as was the intention to outpost resident auditors to major UNHCR field operations, which would require increased staffing from both bodies; it was to be hoped that the Office's audit resources would not be overstretched.

33. The Office had made several recommendations on internal controls in the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) in order to limit abuses. The report confirmed that the management of UNRWA was indeed taking corrective action on internal controls.

34. **Mr. Deineko** (Russian Federation) said that his delegation supported the strengthening of the United Nations oversight and audit machinery and commended OIOS on its activities. The cost savings were particularly welcome. It endorsed the priority areas identified in paragraph 18 of the report (A/52/426), in particular procurement, where there were many temptations to commit fraud. However, the oversight activities would not produce results unless the Office's recommendations were implemented. The average rate of implementation was generally satisfactory, and the computerized system to track the recommendations ought further to enhance management efficiency.

35. It was sensible for the Office not to involve itself at present in any management decisions on the reform of the United Nations. The Secretary-General had already made structural changes in the Secretariat, but it was to be hoped that the OIOS recommendations concerning former structures, for example the Department of Humanitarian Affairs, would be duly taken into account in the restructured units.

36. His delegation supported the recommendation for decisive measures to solve the problem of fragmentation and lack of communication between Headquarters and other duty stations. It also welcomed the audits of missions and peacekeeping operations, for it was concerned about the many violations of financial rules and regulations in those areas. Even more disturbing was the direct involvement of United Nations officials in financial abuses. After due investigation, persons found guilty of the violations identified by the Office must be punished. His delegation closely followed the Office's reports on specific subjects and audits and agreed with the Committee's decision to consider them under the relevant agenda items. It looked forward to the presentation of further reports during the current session in order to assess the progress made in the reform of procurement arrangements and the use of consultants.

Agenda item 138: Financing of the United Nations Mission in Bosnia and Herzegovina (A/51/519/Add.5 and Corr.1; A/52/546)

37. **Mr. Hosang** (Director of the Peacekeeping Financing Division) said that the additional requirements for the United Nations Mission in Bosnia and Herzegovina (UNMIBH) for the period from 1 July 1997 to 30 June 1998 amounted to $10.6 million gross for two purposes: an additional 120 civilian police officers to investigate human rights violations committed by the local police ($7.9 million); and the transfer of responsibility for providing common support services formerly provided by the United Nations Peace Forces (UNPF) ($2.7 million). As noted in paragraph 4 of the Secretary-General's report (A/51/519/Add.5 and Corr.1), the Advisory Committee had concurred with the request for commitment authority totalling about $3 million for the two items. In paragraph 11 of its latest report (A/52/546) the Advisory Committee recommended that there should be no additional appropriation for the period over and above the $178.9 million already appropriated and that any additional requirements should be fully justified in the performance report for the Mission for the period in question.

38. The Committee would have to deal with the matter in the informal consultations because it was difficult for the Secretariat to see how it could spend additional amounts over and above the $178.9 million without violating the Financial Regulations and Rules.

Agenda item 116: Proposed programme budget for the biennium 1998-1999 (*continued*) (A/52/6/Rev.1 (Vol. II), A/52/7 (Chap. II, Parts VIII-X) and A/52/16 and Add.1)

Section 27. Administrative services (continued)

Section 27A. Office of the Under-Secretary-General for Administration and Management (continued)

Section 27B. Office of Programme Planning, Budget and Accounts (continued)

Section 27C. Office of Human Resources Management (continued)

Section 27D. Support services (continued)

Section 27E. Conference services (continued)

Section 27F. Administration, Geneva (continued)

Section 27G. Administration, Vienna (continued)

Section 27H. Administration, Nairobi (continued)

39. **Mr. Maddens** (Belgium), speaking on behalf of the European Union and the associate countries of Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia, and, in addition, Norway, said that there were two important considerations for the European Union: the Secretary-General's capacity to develop new management methods and his intention to create a development fund fed by savings from the reduction of administrative costs. The Advisory Committee on Administrative and Budgetary Questions (ACABQ) had listed a number of constraints which had made analysis of section 27 more difficult, including the lack of information about pilot projects to test the new management concepts. The European Union supported the development of such innovations and hoped that the Secretary-General would make some proposals in due course. It also welcomed his intention to establish a development fund, although the concept needed further refinement.

40. The change of name of the Department of Administration and Management to Department of Management was not a cosmetic change but a sign of a reformed management style. The European Union had already expressed its concern about the ageing of the staff of the United Nations and the reduction in the number of posts at the lower levels. However, it noted with satisfaction that 40 per cent more staff members were to receive training in the next biennium, even though the Advisory Committee thought that the number should be doubled; he pointed out that training accounted for only 0.8 per cent of total staff costs. The European Union also welcomed the Secretary-General's proposals concerning training in the official and working languages but would like to know whether such training was taken into account in the career plans of staff members. It was also a matter for satisfaction that 1,000 staff members were to receive gender sensitivity training. It shared the Advisory Committee's fears about the reduced resources allocated to the Examinations and Tests Section. The prospect of the retirement of over 6,000 staff members in the medium term and the goal of securing better geographical distribution and greater parity between the sexes in the Secretariat argued for increased resources for the Section.

41. The European Union urged the Secretary-General to continue to expand the use of new technologies and shared the Advisory Committee's concern about the need for enhanced technological coordination between Headquarters and other duty stations. Such coordination should be extended to the whole United Nations system, where standardization of computer systems would save costs and time. The Working Group on Informatics might be able to perform the functions of the Information Technology Task Force recommended by ACABQ. The European Union noted the Secretary-General's intention to begin production of CD-ROMs of the material on the optical disk system; the sale of subscriptions to the system might prove a major source of income. The Advisory Committee's request that the possibilities of the system with respect to storage of documents should be explored deserved the Secretary-General's attention.

42. With regard to the Procurement and Transportation Division, the Advisory Committee noted that the Organization rarely had recourse to open advertising and that bids/proposals were almost always obtained from short-listed vendors (A/52/7, para. VIII. 118). That situation was unacceptable; the Division should use every available means of advertising, and keep its lists of suppliers regularly updated. The reforms proposed by the Secretary-General in that connection should be implemented speedily.

43. The quality of interpretation and translation in the United Nations must be maintained and the delays in the preparation of documents must be eliminated. The increasing recourse to self-revision by translators was a source of concern from the standpoint of quality. The introduction of computer-assisted translation systems ought to speed up the translation of documents and reduce the number of complaints by the Member States, and also expand the possibilities of remote translation. However, cost savings must not be made at the expense of quality. The revision rules must therefore be respected and the recruitment and training of translators and revisers continued, with the corresponding budgetary resources. The number of

documents had been reduced by 14 per cent and further reductions were possible with the introduction of technological innovations.

44. Lastly, the European Union reiterated its wish for a new climate of confidence between the Secretariat and the Member States.

45. **Mr. Yamagiwa** (Japan) said that his delegation noted with concern from table 27B.11 that all financial services posts relating to peacekeeping operations were financed solely from extrabudgetary resources. The posts of staff members performing such core functions should be financed from the regular budget.

46. It was also concerned to learn from paragraph 27C.57 that four posts in the Specialist Services Division were to be abolished, including two in the Examinations and Tests Section. Such a move might not be consistent with the Organization's priorities, since that Section's work related mainly to the national competitive examinations, which had proved to be useful tools for recruitment of the best-qualified candidates from under-represented Member States. The medium-term plan included the continuation of the examinations for posts at the P-2 and P-3 levels, and the General Assembly had requested the Secretary-General to ensure that they were in fact continued. Indeed, the Secretary-General himself had again emphasized the need to make significant progress on geographical and gender representation. It thus seemed contradictory for the Secretariat now to propose such a staff reduction. His delegation shared the doubts of the Advisory Committee in that connection.

47. With reference to tables 27D.11 and 12, which indicated that the posts needed for the Integrated Management Information System (IMIS) were now to be financed from the regular budget, he said that his delegation would welcome clarification of the current status and strategy for the further development of IMIS.

48. **Mr. Okoth Oyugi** (Kenya), referring to section 27H, said that reports submitted to the Committee left no doubt that the United Nations Office at Nairobi faced considerable financial and managerial problems. However, it seemed that some of the problems resulted from Secretariat policies or practices, for example, the financing of the Nairobi Office from the United Nations Environment Fund and the Habitat Foundation rather than from the regular budget. Moreover, since both the Fund and the Foundation were themselves receiving decreased resources, they could not carry out the mandated programmes and run the Office at the same time.

49. The problems of the Nairobi Office were not new. Indeed, given the Secretariat's long experience of running the New York, Geneva and Vienna offices, it should be able to resolve the problems in Nairobi. His delegation shared the view stated at an earlier meeting by the representative of Egypt that the Secretariat should squarely address such matters.

50. **Ms. Shearouse** (United States of America) said that her delegation was glad that the programme managers of the Department of Administration and Management had stated that the Department would take the lead in implementing the Secretary-General's proposed transformation of the management of the United Nations. The Department had correctly identified its priority management tasks, and the savings found in most administrative areas indicated that the Secretariat had focused seriously on the goal of securing significant reductions in overhead costs.

51. Her delegation noted from paragraph 27A.6 of the proposed programme budget that the additional P-4 post for the Fifth Committee secretariat had been accommodated by cutting a P-4 post from the staffing for other functions in the Office of the Under-Secretary-General. She wondered what the responsibilities of the latter post were.

52. On section 27C, she said that her delegation would welcome clarification of the 300 per cent increase in other staff costs and of the 25 per cent increase in travel funds for the Specialist Services Division. There was also an increase of 85 per cent, under training and staff development, for skills development and career support; she wondered what costs the Organization incurred, in addition to salaries and general temporary assistance, to provide cover for staff members taking sabbatical leave. An explanation of the difference between full-time and part-time language teachers, together with information about when part-time teachers were required, would be welcome.

53. With regard to section 27E, her delegation welcomed the improved utilization of conference services but noted that the number of meetings planned for the next biennium exceeded the number for the current biennium. It hoped that the increase did not herald a trend.

54. With reference to paragraph 27F.7, which indicated that the resources requested to support IMIS included one Professional and one General Service post, she asked whether those two posts were in addition to the 29 IMIS posts proposed for conversion.

55. With regard to the United Nations Office at Vienna (UNOV), she sought clarification of the purposes for which the $31,700 proposed in paragraph 27G.26 under general

temporary assistance to cover the Office's share of the cost of a Staff Counsellor would be used. Information about the cost of the Office's share of the actuarial study referred to in paragraph 27G.27 would also be welcome.

56. Turning to section 27H, she asked whether the current budget proposals for the United Nations Office at Nairobi reflected the new General Service salary scale. Her delegation would also like information about the total Nairobi payroll, including general temporary assistance and consultants. It reiterated its view that immediate action should be taken to correct the serious management problems in Nairobi.

57. *Ms. Daes (Greece), Vice-Chairman, took the Chair.*

58. **Mr. Sial** (Pakistan) said that, with respect to the proposed post reductions in the Office of Programme Planning, Budget and Accounts, his delegation endorsed the views expressed by the Advisory Committee in paragraph VIII.26 of its report. In that connection, he was concerned about the negative effects of staff reductions mentioned in paragraph 53 of document A/C.5/51/53. Those shortcomings should not be repeated in the next biennium; it was important to review the situation, as recommended by the Advisory Committee. The Controller had indicated that the proposed staff reductions were due to the overall budget cuts. However, the Secretary-General was responsible for submitting budget proposals on a full-cost basis to ensure the full implementation of all mandated programmes and activities. His delegation also shared the Advisory Committee's views on the proposed reduction of resources for examination and test capacities (A/52/7, para. VIII.34).

59. He was concerned about the serious potential conflict of interest in the use of gratis personnel in the area of procurement (A/52/7, paras. VIII.65 and VIII.116). Although the procurement reform had reduced the number of posts required, the proposal that 11 posts should be abolished while five gratis personnel continued to be employed must be reviewed in the light of General Assembly resolution 51/243 and the recommendations of the Advisory Committee.

60. He asked whether the United Nations provided office space to specialized agencies and other bodies of the United Nations system and, if so, whether such space was provided at standard or variable rates, or free of charge. Lastly, he supported the proposal that video-conferencing facilities should be installed for the Advisory Committee.

61. **Mr. Toure** (Mali) said he was concerned about the administrative and financial situation of the United Nations Office at Nairobi and about the proposal to reduce resource allocations to the United Nations Environment Programme (UNEP) and the United Nations Centre for Human Settlements (Habitat). He supported the statement made by the representative of Kenya.

62. **Mr. Soong Chull Shin** (Republic of Korea) said that he fully supported the statement made by the representative of Japan on the abolition of two posts in the Examinations and Tests Section of the Office of Human Resources Management. Those posts should be maintained, in view of the specific mandate concerning the conduct of national competitive examinations.

63. **Ms. Fahmy** (Egypt) said that, with respect to section 27D, she could not endorse the Secretary-General's proposal that 29 temporary posts should be converted to permanent posts, since they had not been subject to the usual requirement of equitable geographical distribution. She wondered how the Secretariat justified the proposal, in the light of the need to respect that principle.

64. With respect to section 27E, she noted that the reduction in resources for UNIDO and IAEA was due in part to the introduction of a net budgeting system at the United Nations Office at Vienna (para. 27E.9). She had reservations about that system, and wondered how the Secretariat justified the proposed reduction in resources for meetings of the United Nations Industrial Development Organization (UNIDO). If the total amount of resources was based not on the estimated demand for conference services, but on experience in the previous biennium, she wondered why resources were to be provided for only 3,851 meetings, whereas 4,605 meetings had been held in 1996-1997.

65. Although the Advisory Committee indicated, in paragraph VIII.137 of its report, that the proposed abolition of 197 posts in conference services was not expected to have a negative impact on interpretation and translation capacity, she believed that such a reduction would necessarily have an impact. She asked the Secretariat to provide a breakdown of the posts to be abolished in the interpretation and translation services, indicating where cuts were to be made, which language services would be affected and the number of posts to be abolished at each level. Paragraph 27E.50 (a) (I) of the proposed programme budget implied that the six official languages of the Organization would not be treated equally with respect to summary records; she asked what was meant by the "translation of such records into the other languages required".

66. Lastly, she recalled that the participants in the first Conference of the Parties to the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, particularly in

Africa, had decided to request the General Assembly to provide $1 million for conference-servicing costs from the regular budget for 1998-1999; she asked whether that request had been taken into account.

67. **Ms. Chen Yue** (China) said that, in view of the importance of ensuring that all six official languages of the United Nations were treated equally, she, too, would like clarification of whether provision had been made for the translation of summary records of conferences and meetings into Chinese and Arabic.

68. **Mr. Chinvanno** (Thailand) said that he wished to reaffirm the importance which his delegation attached to staff training programmes. He shared the views expressed by the representatives of Japan and the Republic of Korea with respect to the proposed post reductions in the Examinations and Tests Section. He agreed with the Advisory Committee on the need to develop a long-term policy on archives and records management, and was concerned about the indication, in paragraph VIII.128 of its report, that the implementation of existing policies and procedures on archives was not going forward owing to lack of adequate resources and the low priority accorded that activity. Archives and records were useful for delegations and for outside research on the United Nations, and he hoped that the level of resources requested for the biennium 1998-1999 would be adequate in view of the changing nature of records management and the rapid development of modern information technology.

69. **Mr. Sulaiman** (Syrian Arab Republic) said that he associated himself with the statement made by the representative of Egypt. With respect to the language training programme, he recalled paragraph 7 of General Assembly resolution 50/11 on multilingualism, and expressed the hope that all six official languages would be treated equally in that programme.

70. With respect to section 27D, he agreed with the representative of Egypt and the Advisory Committee that the 29 temporary posts referred to in paragraph 27D.46 should not be converted to permanent posts unless the Secretariat provided a satisfactory explanation of why they had not been subject to geographical distribution. He asked whether the General Services posts that were to be converted to Professional posts were subject to geographical distribution.

71. He was concerned about the proposal for the abolition of 197 posts under section 27E, and supported the Egyptian delegation's request for a breakdown of the cuts to be made and an explanation of how translation and interpretation capacity would be maintained despite those reductions.

72. **Mr. Halbwachs** (Controller) said, with respect to section 27A, that the P-4 functions to be redeployed to the Fifth Committee secretariat had formerly been exercised to provide general support to the Office of the Under-Secretary-General for Administration and Management.

73. Under section 27C, the post reductions in the Examinations and Tests Section did not reflect an intention to reduce the number of national competitive examinations in the coming biennium, but rather the increasing use of video-conferencing and of the regional commissions as testing centres. Increased general temporary assistance for the Office of Human Resources Management had been proposed because IMIS was not yet fully operational in overseas offices and separate databases still had to be maintained; that extra workload would eventually disappear. The proposed increase in travel funds for the Specialist Services Division was primarily attributable to the expected needs of the Compensation and Classification Policy Section; it should be noted that travel funds for the Office's other subprogrammes were to be significantly reduced.

74. With respect to section 27D, a status report on IMIS would be submitted shortly. The proposal for the conversion of IMIS posts reflected the fact that the development phase of IMIS, for which temporary assistance had been used, was coming to an end; the time had come to establish posts for permanent staff to maintain the system. The temporary assistance had not been subject to geographical distribution, but the proposed permanent posts would be governed by that principle. The P-5 post of IMIS coordinator in Geneva was not included among the 29 posts referred to in paragraph 27D.46 of the proposed programme budget because it was a redeployed post, not a new post.

75. With respect to conference services (section 27E), although original summary records were prepared only in English, French, Russian or Spanish, they were translated into all six official languages, including Arabic and Chinese, and each record was issued simultaneously in all of those languages. The proposed post reductions were not expected to affect conference services because the budget had been prepared on the assumption that the level of documentation and the number of meetings would remain stable; the resources requested should therefore be sufficient. The projections concerning UNIDO meetings had been provided by UNIDO itself, which was experiencing severe financial difficulties.

76. He had not been aware of the resolution adopted at the Conference of the Parties to the United Nations Convention to Combat Desertification; he expected that it would be considered first by the Second Committee, which would

make the appropriate recommendation to the Fifth Committee.

77. The answer to the question on the provision of office space appeared in income section 2, which showed that the Organization expected to earn $12 million in the biennium 1998-1999 by renting premises to specialized agencies and other bodies in New York and at other duty stations.

78. The cost of the study on medical insurance at the United Nations Office at Vienna was divided equally between the UNIDO budget and the regular budget of the United Nations; the amount of $18,600 represented the United Nations share. Likewise, the amount of resources requested for temporary assistance for the Staff Counsellor's Office in Vienna represented the United Nations share of the total amount.

79. The United Nations Office at Nairobi was one of the few offices in which no staff reductions had been proposed under the regular budget. That Office was funded in part by UNEP and Habitat because many UNEP activities were funded with extrabudgetary resources. Similar arrangements applied with respect to the United Nations Children's Fund (UNICEF) and the United Nations Development Programme (UNDP).

80. **Ms. Fahmy** (Egypt) said that, in view of the Controller's clarification, the word "required" in paragraph 27E.50 (a) (I), which appeared after the words "translation of such records into the other languages", should be deleted.

81. **Mrs. Emerson** (Portugal) said that she was concerned about the proposed staff reductions in the Examinations and Tests Section of the Office of Human Resources Management. The General Assembly had decided that examinations were the most appropriate tool for the recruitment of younger staff. However, the lack of coordination between the examinations and recruitment functions resulted in long delays in recruitment after candidates had been selected through examinations; in many cases, by the time candidates were offered a post, they were no longer available. The reduction in P-2 and P-3 posts was also disturbing in that connection; there was no point in holding examinations to recruit younger people if no entry-level posts were available for them.

82. **Mr. Soong Chull Shin** (Republic of Korea), expressing his delegation's support for the statement made by the representative of Portugal, said that the abolition of two posts in the Examinations and Tests Section of the Office of Human Resources Management should not be linked to the introduction of video testing or the enhanced role of regional competitive examinations.

Section 28. Internal oversight

83. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on section 28 of the proposed programme budget (A/52/7 (Chap. II, Part IX)), said that the Committee firmly believed that the practice of using gratis personnel in the Office of Internal Oversight Services (OIOS) was not appropriate and should be avoided. In addition, the Advisory Committee believed that the forecast of 450 additional cases to be handled by the Office seemed high. If that number was not realized, savings could be achieved.

84. **Mr. Chinvanno** (Thailand), Vice-Chairman of the Committee for Programme and Coordination, introducing the relevant sections of that Committee's report (A/52/16), said that the Committee recommended that the General Assembly should approve the programme narrative of section 28 subject to the modifications indicated in the report.

85. **Mr. Maddens** (Belgium), speaking on behalf of the European Union and the associate countries of Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia, and, in addition, Liechtenstein, said that the reports submitted by OIOS showed that it had become an integral part of the Organization and a valuable instrument. The Office was not a mechanism designed to secure budget cuts. Its role was to identify wasteful habits and to enable the United Nations to manage its resources more effectively.

86. The European Union had noted the proposed increase in regular budget resources for OIOS compared to the previous biennium. That increase in fact reflected the cost of measures which had already been implemented during the biennium 1996-1997, specifically the recruitment of new personnel. The Office was comparatively new and was not yet operating at full capacity. Internal oversight mechanisms were still not as fully developed in the United Nations as in other public or private institutions.

87. Given that United Nations operations spanned the globe, it was right and proper that OIOS should carry out oversight operations at Headquarters, other duty stations and in the field. The European Union endorsed the practice of sending inspectors overseas, especially to peacekeeping missions.

88. Regarding the number of cases which OIOS expected to handle, the European Union noted that the 1997 total referred only to the first quarter of the year and could not therefore be interpreted as a meaningful base figure. Nevertheless, the quantitative basis for the analysis of the workload was insufficient to gauge the actual requirements

of subprogramme 4. The cases which the Office had to deal with varied widely. Furthermore, the Investigations Section was expected to recommend policies and measures for the promotion of economies and efficiencies based on investigations (A/52/6/Rev.1, para. 28.62 (c)). That forward-looking element of the Section's mandate was still insufficiently developed owing to the workload of the Section and its current staff level.

89. **Mr. Gjesdal** (Norway) said that OIOS had a key role to play in improving the management culture of the United Nations. It must therefore be provided with the resources needed to operate effectively and his delegation supported the proposed increase in resources and budget posts. Ever-closer cooperation should be developed between all the oversight bodies of the United Nations system.

90. **Mr. Mirmohammad** (Islamic Republic of Iran) and **Mr. Atiyanto** (Indonesia) said that OIOS did not have a mandate to alter the Organization's programmes or objectives. The words "by altering their content and, if necessary, reviewing their objectives" should therefore be deleted from paragraph 28.17 of the proposed programme budget. Given that other entities in the United Nations system had been obliged to make cutbacks, it seemed appropriate that OIOS should set an example and do the same. It was also important to ensure that no gratis personnel were employed in the Office, as recommended by the Advisory Committee.

91. *Mr. Chowdhury (Bangladesh), Chairman, resumed the Chair.*

92. **Mr. Moktefi** (Algeria) fully endorsed the comments made by the representatives of the Islamic Republic of Iran and Indonesia and questioned the role of the newly established administrative unit within the Office of the Under-Secretary-General for Internal Oversight Services. If the purpose of the unit was to ensure operational independence, his delegation wished to know why similar units had not been established in other oversight mechanisms.

93. **Mr. Repasch** (United States of America) reiterated his delegation's strong support for OIOS and the need to place more emphasis on its evaluative function with a view to discontinuing activities when they ceased to serve a useful purpose. It was disturbing to learn from the Under-Secretary-General for Internal Oversight Services that the Office was basically operating on a maintenance budget; every effort should be made to ensure full funding. His delegation was surprised by the concerns that had been raised over the question of whether the Office could alter mandated programmes and objectives. The matter had been discussed extensively in informal consultations and the wording of paragraph 28.17 should not be changed.

94. **Mr. Sial** (Pakistan) asked for an explanation of the significant increase in resources for travel and a clarification of the proposed amounts earmarked for hospitality and the acquisition of data-processing equipment and software.

95. **Mr. Halbwachs** (Controller) said that every Office in the Secretariat had an executive office in charge of day-to-day administration, and OIOS was no exception. Previously allocated travel resources had been insufficient; the proposed increase for the biennium 1998-1999 was due partly to the projected workload of 300 cases away from New York and the fact that the Investigations Section was now fully staffed. Officials at the D-2, Assistant Secretary-General and Under-Secretary-General levels received a representation allowance for entertaining outsiders; in addition, for official reasons outsiders occasionally sought reimbursement for hospitality expenditure. The separate amounts for the acquisition of data-processing equipment and software added up to the total amount indicated for furniture and equipment.

Section 29. Jointly financed administrative activities

Section 30. Special expenses

96. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on sections 29 and 30 of the proposed programme budget (A/52/7 (Chap. II, Part X)), said that those sections would be significantly affected by the Secretary-General's proposals on net budgeting. The major issue concerning section 30 was that of after-service health insurance, the cost of which had increased at a rate higher than that of inflation. On the basis of information provided by the Board of Auditors, the Advisory Committee had recommended that the long-term implications and impact of such growth upon the Organization should be addressed in a report by the Secretary-General, together with practical indications of how the Secretariat intended to address the issue.

97. **Mr. Chinvanno** (Thailand), Vice-Chairman of the Committee for Programme and Coordination, introducing the relevant sections of that Committee's report (A/52/16), said that the Committee had taken note of the narrative of section 29 and of the parallel actions required by the General Assembly, namely to approve the gross budgets of the International Civil Service Commission (ICSC) and the Joint Inspection Unit (JIU) and to approve the related appropriation requested under the net budgets of those activities.

The meeting rose at 6.05 p.m.